

Amendment: D12

Department of Health and Human Services

Representative **GM SMITH** proposes the following amendment:

Amend:

33.23. (DHHS: Rural Health Initiative) From the funds appropriated to the Department of Health and Human Services for the Rural Health Initiative *in the current fiscal year*, the department shall partner with the following state agencies, institutions, and other key stakeholders to implement these components of a Rural Health Initiative to better meet the needs of medically underserved communities throughout the state. The department may leverage any and all available federal funds to implement this initiative. Recurring and non-recurring funding for the Rural Health Initiative may be carried forward by the department and expended for the same purpose.

(A) The Department of Health and Human Services shall incentivize the development of primary care access in rural and underserved areas, leverage Medicaid spending on Graduate Medical Education (GME) by implementing methodologies that support recommendations contained in the January 2014 report of the South Carolina GME Advisory Group, and continue to leverage the use of teaching hospitals to ensure rural physician coverage in counties with a demonstrated lack of adequate access and coverage through the following provisions:

(1) Rural and Underserved Area Provider Capacity - the department shall partner with the University of South Carolina School of Medicine to develop a statewide Rural Health Initiative to identify strategies for significantly improving health care access, supporting physicians, and reducing health inequities in rural communities. In addition, the department shall also contract with the MUSC Hospital Authority in the amount of \$1,000,000, and the USC School of Medicine in the amount of \$2,000,000 to further develop statewide teaching partnerships.

(2) Rural Healthcare Coverage and Education - The USC School of Medicine, in consultation with the South Carolina Office of Rural Health, shall continue to operate a Center of Excellence to support and develop rural medical

education and delivery infrastructure with a statewide focus, through clinical practice, training, and research, as well as collaboration with other state agencies and institutions. The center's activities must be centered on efforts to improve access to care and expand healthcare provider capacity in rural communities. The department shall authorize at least \$1,000,000 to support center staffing as well as the programs and collaborations delivering rural health research, the ICARED program, workforce development scholarships and recruitment, rural fellowships, health education development, and/or rural practice support and education. Funding released by the department pursuant to this section must not be used by the recipient(s) to supplant existing resources already used for the same or comparable purposes. No later than February 1st of the current fiscal year, the USC School of Medicine shall report to the Chairman of the House Ways and Means Committee, the Chairman of the Senate Finance Committee, and the Director of the Department of Health and Human Services on the specific uses of funds budgeted and/or expended pursuant to this provision.

(3) Rural Medicine Workforce Development - The department, in consultation with the Medical Education Advisory Committee (MEAC), shall support the development of additional residency and/or fellowship slots or programs in rural medicine, family medicine, and any other appropriate primary care specialties that have been identified by the department as not being adequately served by existing Graduate Medical Education programs. The department shall ensure that each in-state member of the Association of American Medical Colleges is afforded the opportunity to participate in MEAC. New training sites and/or residency positions are subject to approval as specified by the Accreditation Council for Graduate Medical Education (ACGME). The department may also accept proposals and award grants for programs designed to expose resident physicians to rural practice and enhance the opportunity to recruit these residents for long-term practice in these rural and/or underserved communities. Up to \$500,000 of the recurring funds appropriated to the department for the Rural Health Initiative may be used for this purpose.

(4) Statewide Health Innovations - At least \$2,000,000 must be expended by the department to contract with the USC School of Medicine ~~and at least \$1,000,000 to the MUSC Hospital Authority~~ to develop and continue innovative healthcare delivery and training opportunities through collaborative community engagement via ICARED and other innovative programs that provide clinical services, mental and behavioral health services, children's health, OB/GYN services, and/or chronic disease coverage gaps. In consultation with the Office of

Rural Health, the department must ensure collaborative efforts with the greatest potential for impact are prioritized.

(B) The department shall continue to investigate the potential use of DSH and/or any other allowable and appropriate source of funds in order to improve access to emergency medical services in one or more communities identified by the department in which such access has been degraded due to a hospital's closure during the past five years.

(1) In the current fiscal year, the department is authorized to establish a DSH pool, or carry forward DSH capacity from a previous period as federally permissible, for this purpose and/or if deemed necessary to implement transformation plans for which conforming applications were filed with the department pursuant to this or a previous hospital transformation or rural health initiative proviso, but for which additional negotiations or development were required. An emergency department that is established within 35 miles of its sponsoring hospital pursuant to this or a previous hospital transformation or rural health initiative proviso and which receives dedicated funding pursuant to this proviso shall be exempt from any Department of Health and Environmental Control Certificate of Need requirements or regulations. Any such facility shall participate in the South Carolina Telemedicine Network.

(2) The department may solicit proposals from and provide financial support for capital expenditures associated with the consolidation of two or more rural hospitals, not to exceed one-quarter of the total capital budget for the consolidation. Such a consolidation plan must be submitted by a hospital system approved to advise a rural transformation project, and the consolidation must be subject to ongoing advisement by the submitting facility. At least one of the facilities subject to consolidation must be designated as a critical access hospital in a county experiencing not less than four percent decrease in population between the most recent decennial censuses and have been deemed eligible to participate in the rural transformation pool in a prior fiscal year. The department shall require such written agreements which may require project milestone, last-dollar funding, and other stipulations deemed necessary and prudent by the department to ensure proper use of the funds.

(C) The Revenue and Fiscal Affairs Office and the Area Health Education Consortium's Office of Healthcare Workforce Analysis and Planning shall provide the department with any information required by the department in order to implement this proviso in accordance with state law and regulations.